



## 1995 SENATE BILL 285

August 2, 1995 - Introduced by Senators WEEDEN, ELLIS and RUDE, by request of Governor Tommy G. Thompson. Referred to Committee on State Government Operations and Corrections.

1     **AN ACT to amend** 16.75 (1) (b), 16.75 (1) (c), 16.75 (2m) (b), 16.75 (2m) (c), 16.75  
2           (6) (b) and 16.75 (6) (c) of the statutes; **relating to:** exemptions from certain  
3           state procurement procedures and waiver of state purchasing requirements to  
4           permit purchases through contracts established by other governmental entities  
5           or certain consortia with 3rd parties.

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### *Analysis by the Legislative Reference Bureau*

Currently, with several exceptions, state agencies must purchase materials, supplies, equipment or services by means of bidding or competitive sealed proposals from the person submitting the lowest responsible bid or competitive sealed proposal. If the estimated cost of a purchase exceeds \$10,000, the department of administration (DOA) or any agency to which it delegates purchasing authority must publish 2 advertisements soliciting bids or proposals. Except when printing or stationery is procured, if the estimated cost of a purchase is \$10,000 or less, DOA or the agency making the purchase may award an order or contract in accordance with "simplified procedures" established by DOA. Except when printing or stationery is procured, the secretary of administration may, with the approval of the governor, in connection with any purchase, waive requirements for solicitation of bids or proposals, as well as certain other requirements, including requirements to make purchases on the basis of life-cycle costs, requirements to purchase commodities and certain other goods or services from state institutions and requirements to attempt to ensure that certain purchases are made from minority-owned businesses. However, if the estimated cost of such a purchase exceeds \$10,000, DOA or the agency making the purchase must publish notice of its intent to make a purchase without soliciting bids or proposals.

This bill increases the threshold for application of all of these laws from \$10,000 to \$25,000.

Currently, with certain exceptions, a proposed procurement by a state agency must be publicly advertised and orders and contracts must be awarded to the person submitting the lowest responsible bid or most advantageous competitive sealed proposal. DOA is directed to attempt to assure that 5% of the state's procurement expenditures in each fiscal year are paid to minority-owned businesses. DOA is directed to give preference to Wisconsin-based businesses under certain conditions and to consider the life cycle costs of proposed procurements. Under certain conditions, state agencies are required to make procurements from state correctional institutions. The secretary of administration may waive these requirements for purchases of supplies, materials, equipment or contractual services, other than printing or stationery, if the secretary determines that it is in the best interest of the state to do so, in order to permit a purchase to be made from another state, from a county, city, village, town or other governmental body in this state from a regional or national consortium composed of nonprofit institutions that support governmental or educational services.

This bill permits the secretary to waive these requirements, or delegate to a state agency the authority to do so, in order to permit a purchase to be made through a contract established by one of these governmental entities or consortia with one or more 3rd parties.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 16.75 (1) (b) of the statutes is amended to read:

2           16.75 (1) (b) When the estimated cost exceeds \$10,000 \$25,000, due notice  
3           inviting bids shall be published as a class 2 notice, under ch. 985, and the bids shall  
4           not be opened until at least 7 days from the last day of publication. The official  
5           advertisement shall give a clear description of the materials, supplies, equipment or  
6           service to be purchased, the amount of the bond, share draft, check or other draft to  
7           be submitted as surety with the bid and the date of public opening.

8           **SECTION 2.** 16.75 (1) (c) of the statutes is amended to read:

9           16.75 (1) (c) Except as provided in sub. (7), when the estimated cost is \$10,000  
10          \$25,000 or less, the award may be made in accordance with simplified procedures  
11          established by the department for such transactions.

1           **SECTION 3.** 16.75 (2m) (b) of the statutes is amended to read:

2           16.75 **(2m)** (b) When the estimated cost exceeds \$10,000 \$25,000, the  
3 department shall publish a class 2 notice under ch. 985 inviting competitive sealed  
4 proposals. The advertisement shall describe the materials, supplies, equipment or  
5 service to be purchased, the intent to solicit proposals rather than bids, any  
6 requirement for surety and the date the proposals will be opened, which shall be at  
7 least 7 days after the date of the last insertion of the notice.

8           **SECTION 4.** 16.75 (2m) (c) of the statutes is amended to read:

9           16.75 **(2m)** (c) When the estimated cost is \$10,000 \$25,000 or less, the  
10 department may award the order or contract in accordance with simplified  
11 procedures established by the department for such transactions.

12           **SECTION 5.** 16.75 (6) (b) of the statutes is amended to read:

13           16.75 **(6)** (b) If the secretary determines that it is in the best interest of this  
14 state to do so, he or she may waive the requirements of subs. (1) to (5) and may  
15 purchase supplies, materials, equipment or contractual services, other than printing  
16 and stationery, from another state, from any county, city, village, town or other  
17 governmental body in this state or from a regional or national consortium composed  
18 of nonprofit institutions that support governmental or educational services, or  
19 through a contract established by one of those entities with one or more 3rd parties.

20           **SECTION 6.** 16.75 (6) (c) of the statutes is amended to read:

21           16.75 **(6)** (c) If the secretary determines that it is in the best interest of this state  
22 to do so, he or she may, with the approval of the governor, waive the requirements  
23 of subs. (1) to (5) and may purchase supplies, material, equipment or contractual  
24 services, other than printing and stationery, from a private source other than a  
25 source specified in par. (b). Except as provided in sub. (2g) (c), if the cost of the

1 purchase is expected to exceed ~~\$10,000~~ \$25,000, the department shall publish a class  
2 notice under ch. 985 describing the materials, supplies, equipment or contractual  
3 services to be purchased, stating the intent to make the purchase from a private  
4 source without soliciting bids or competitive sealed proposals and stating the date  
5 on which the contract or purchase order will be awarded. The date shall be at least  
6 7 days after the date of the last insertion.

7 **SECTION 7. Initial applicability.**

8 (1) EXEMPTIONS FROM STATE PROCUREMENT PROCEDURES. The treatment of  
9 section 16.75 (1) (b) and (c), (2m) (b) and (c) and (6) (c) of the statutes first applies with  
10 respect to orders entered into or contracts awarded on the effective date of this  
11 subsection.

12 (2) COOPERATIVE PURCHASING. The treatment of section 16.75 (6) (b) of the  
13 statutes first applies with respect to orders entered into or contracts awarded on the  
14 effective date of this subsection.

15 (END)